

WASHINGTON D.C. — Today, Congressman Tim Walz announced that he will vote for HR 3221, the Student Aid and Fiscal Responsibility Act which is expected to come to a vote Thursday afternoon. HR 3211 will make college more accessible; transform the way federal student loan programs operate; ensure early education opportunities put more children on the path to success; strengthen community colleges and training programs to help build a 21st century workforce; and boost the fiscal health of the country our children will inherit by paying down the deficit.

“Over the next ten years this bill invests nearly \$75 million in Minnesota’s 1st Congressional District through increases in the maximum annual Pell Grant scholarship,” said Congressman Tim Walz. “As a high school teacher, I saw all too often kids who wanted to continue their education but didn’t because of the cost. These kids will not only get more grant money because of this bill, but their federal student loans will have lower interest rates, and the FAFSA form to apply for aid will be simplified to take less time and be easier to understand. We can, we should, and we are making entrance to our nation’s colleges easier and more affordable because it is the right thing to do for our kids and for our economy.”

In 2007 over 99,500 students were enrolled in Minnesota community colleges. “This bill creates a new competitive grant program for our community colleges which will help them create and strengthen partnerships with local employers, ensuring that we’re training the workers our businesses need,” continued Walz. “Minnesota is also set to receive nearly \$50 million to help finance renovations and needed repairs to community college facilities.”

“The opportunity to promote partnerships between institutions of public higher education and private-sector businesses will ensure that educational programs of study are aligned with business and national skill standards,” said Terry Leas, President of Riverland Community College in Austin, MN. “This approach will promote curricula that are relevant, higher quality, and designed to meet the needs of employers struggling in a rapidly changing global market.”

Finally, the legislation reforms standards and practices for birth-to-five early learning programs, ensuring more children are ready for kindergarten when they arrive. The bill also creates an Early Learning Challenge Fund, which awards \$1 billion nationally each year in competitive grants to states that implement comprehensive standards-based reform of the state’s early learning system. Minnesota will also receive about \$36 million over the next two years to help school districts modernize and renovate learning environments.

The legislation converts all new federal student lending to the stable, effective and cost-efficient Direct Loan program. Beginning July 1, 2010, all new federal student loans will be originated through the Direct Loan program, instead of through lenders subsidized by taxpayers in the federally-guaranteed student loan program. Unlike the lender-based program, the Direct Loan program is entirely insulated from market swings and can therefore guarantee students access to low-cost federal college loans, in any economy. The bill saves taxpayers \$80 billion over ten years by switching to the cheaper Direct Loan program, according to the Congressional Budget Office. In addition to investing in college aid, this legislation will also direct approximately \$10

billion in savings back to the U.S. Treasury to help pay down the deficit.